

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1604

SPONSOR: Committee on Comprehensive Planning; Committee on Military and Veterans' Affairs, Base Protection, and Spaceports; Senator Fasano, and others

SUBJECT: Military Readiness

DATE: March 1, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Krasovsky</u>	<u>Krasovsky</u>	<u>MS</u>	<u>Favorable</u>
2.	<u>Herrin</u>	<u>Yeatman</u>	<u>CP</u>	<u>Fav/CS</u>
3.	_____	_____	<u>CM</u>	_____
4.	_____	_____	<u>GO</u>	_____
5.	_____	_____	<u>ATD</u>	_____
6.	_____	_____	<u>AP</u>	_____

I. Summary:

The Committee Substitute (CS) for Senate Bill 1604 addresses the recommendations made in the Military and Veterans' Affairs, Base Protection, and Spaceports Committee's interim report, No. 2004-154, entitled "Protecting Florida's Contribution to the Nation's Military Readiness." That interim report addresses issues relating to the Department of Defense's initiation of another round of base realignments and closures, commonly referred to as "BRAC."

The CS creates the Office of Military and State Relations within the Executive Office of the Governor and specifies responsibilities for the office. The creation of this office satisfies a need to have an office identified with the state's third largest industry and helps to focus the resources of the state on our military communities, while coordinating a litany of activities and providing for a level of accountability.

In addition, the CS requires the exchange of information between local communities and military installations when land use decisions may impact operations at that base. The CS limits the issues to be addressed by the commanding officer or designee when commenting on a proposed land use change. It requires a local government to consider the commanding officer's comments. Also, it requires a representative of the military installation to be included as an ex-officio, nonvoting member of the affected local government's land planning or zoning board. The commanding officer is encouraged to provide information regarding certain community planning assistance grants. It provides definitions for the terms "affected local government" and "military installation."

The CS also requires local governments to amend the future use plan element of their comprehensive plan to address the compatibility of future uses on lands adjacent or closely

proximate to their military installation and to include criteria to achieve that compatibility. The CS exempts a comprehensive plan amendment that results from the provisions of this CS from the twice-per-year limitation on the frequency of plan amendments. Also, a local government's evaluation and appraisal report must include an assessment of whether the criteria included in the future land use plan element has been successful in resolving compatibility issues for military installations.

Finally, the CS creates the Military Base Protection Grant Program to be coordinated and implemented by the Office of Tourism, Trade, and Economic Development. It appropriates \$12 million to fund the program and statutorily adopts standard criteria for awarding the grants.

This CS creates ss. 14.2018 and 163.3175 and amends ss. 163.3177, 163.3187, 163.3191 and 288.980 of the Florida Statutes.

II. Present Situation:

The Department of Defense has once again embarked on another round of base realignments and closures, commonly referred to as "BRAC," during which military installations across the nation will be reviewed to determine whether functions and bases can be consolidated or closed. The BRAC process reflects a desire to eliminate excess capacity, experience the savings from that reduction in capacity, and fund higher priority weapon platforms and troop training. The military has indicated the 2005 cuts will be the largest yet, with capacity reductions maybe reaching as high as 20-25%.¹ There have been four BRAC rounds between 1988 and 1995. In 1988 and 1995, ninety-seven bases were closed.² California lost more than 20 facilities and 100,000 civilian and military jobs as the result of those closures.³ During the 1993 round, four Florida bases were closed.⁴

Base Encroachment

Florida was once advertised as a state of sugar-white beaches and warm ocean breezes. As more and more people across the nation sought their piece of Florida paradise, the state's population grew to its current 17 million inhabitants. The development of Florida has affected all its citizens, including its military citizens. Military installations that were once in the middle of nowhere now find houses and roads immediately outside the perimeter fence. While such development does bring prosperity and jobs, development that encroaches upon a military installation jeopardizes the mission of that base. A base whose military value is diminished by incompatible land development becomes prey to closure under the BRAC process.

The Department of Defense currently has programs in place to respond to existing and potential threats of incompatible land development. These programs, the Navy's and Air Force's Air Installation Compatible Use Zone (AICUZ) Program and the Army's Installation Environmental Noise Management Program (IENMP) are designed to promote compatible development on and

¹ See *Trends and Transitions: Lawmakers Plan Counterattack Against Base Closings*, State Legislatures, March 2004.

² See *id.*

³ See *id.*

⁴ Florida lost the Naval Aviation Depot Pensacola, the Naval Aviation Station Cecil Field Jacksonville, the Naval Training Center Orlando, and Homestead Air Force Base.

off base. Each base in Florida which has an aviation mission has a completed AICUZ program for its airfield.

These programs provide information to local governments about noise and accident potential generated by base operations and encourage communities to adopt land use and zoning controls which restrict the type and density of developments around military airfields to ensure compatible development. Some states, in anticipation of BRAC, have statutorily adopted the development recommendations in the AICUZ programs.

Another Department of Defense program creates an opportunity for local governments and military installations to cooperatively develop measures designed to prevent encroachment. This program, called Joint Land Use Study (JLUS), provides for a land use study to be conducted in an area where a military installation is experiencing encroachment or incompatible development problems. The program can proceed only after there is agreement and support for the study from the base command and local government officials. A typical JLUS can cost between \$60,000 and \$120,000 depending on the complexity of the issues. This cost is shared by the Defense Department and the local government on a 75/25 percentage, respectively. A JLUS has been completed for Santa Rosa and Escambia counties with other studies underway to various degrees at MacDill and Homestead.

A JLUS is intended to be the community's planned response to the presence of the military installation. The recommendations provided in the study create a policy framework to support adoption and implementation of compatible development measures designed to prevent encroachment, safeguard the military mission, and protect the public health, safety, and welfare. Actual implementation of these measures would involve revisions to the community's comprehensive plan and traditional land use controls, such as zoning, subdivision regulation, and structural height restriction. There is, however, no requirement that the local government implement any of the recommendations.

Florida has long dealt with managing land development. That is evidenced, in part, by the passage of the Local Government Comprehensive Planning and Land Development Regulation Act of 1985.⁵ That act establishes a growth management system in Florida which requires each local government to adopt a comprehensive land use plan that includes certain mandatory and optional elements. This plan is intended to be the policy document guiding local governments in their land use decision making. The Department of Community Affairs (DCA) was required to adopt minimum criteria for the review and determination of compliance of the local government comprehensive plan elements with the statewide requirements of the Act. Each county and municipality must adopt or amend and enforce land development regulations that are consistent with and implement the local government's comprehensive plan.⁶

The DCA is also focusing in on BRAC 2005. It has started a military base encroachment initiative, the object of which is to assist local governments and military base commanders in assessing land use encroachment issues and developing practical solutions to mitigate

⁵ Ss. 163.3161-163.3246, F.S.

⁶ S. 163.3202, F.S.

incompatible uses. A report identifying common encroachment concerns, solutions, and follow up actions was to be completed by February 15, 2004.

Military Grants

In response to base closures under previous BRAC rounds, the state adopted legislation in the mid 1990's dealing with base closure, disposition of military property, and reuse plans for the closed bases.⁷ Probably most importantly, legislation was adopted aimed at future military base retention. As the legislative intent from that statute, in part, states, "The Legislature hereby recognizes that the state needs to coordinate all efforts that can facilitate the retention of all remaining military installations in the state. The Legislature, therefore, declares that providing such assistance to support the defense-related initiatives within this section is a public purpose for which public money may be used."⁸

In 1997, the Community Defense Grant program was created to provide a variety of grants that are designed to help defense communities develop economic diversification strategies, improve base efficiencies, and implement base reuse programs. Examples of grants awarded include funds for strategic planning for BRAC, economic impact studies, environmental assessments, encroachment protection, and the development of marketing materials.

For the last three years, one million dollars was annually requested, and approved, for this program. The Office of Tourism, Trade, and Economic Development (OTTED) within the Governor's Office awards the grants which are administered by Enterprise Florida, Inc.

The Military Base Protection Grant program followed in 1999.⁹ This program has been created annually through the appropriations process with very general guidelines. Grants are awarded to economic development organizations representing military communities for local infrastructure projects deemed to have a positive impact on the military value of the installation and that would strengthen Florida's competitive position for retention and expansion of current military activity. Examples of grants awarded include funds for utility upgrades, planning for access gates to major highways, planning and development for range expansions, and land purchases to address incompatible growth. There was \$3.4 million appropriated for the program this current fiscal year with \$4 million appropriated in 2003, \$5 million in 2002, and \$4 million in 2001. Grants are awarded and administered in the same manner as the Community Defense Grants.

To date, approximately \$25.5 million has been awarded pursuant to the above mentioned programs. However, the need appears to be much more. Prioritized infrastructure needs provided by our military installations to Enterprise Florida for 2003 totaled slightly more than \$110 million. This amount broken down by regions is: northwest region/panhandle at \$50,367,608; northeast region/Jacksonville at \$20,467,848; central region/Orlando at \$9,343,000; and the south region at \$30,178,953. One can not assume that the \$110 million figure represents only high value priority projects necessary to the operation of each base.

⁷ Ss. 288.975, 288.976, 288.977, and 288.980, F.S.

⁸ S. 288.980(1)(a), F.S.

⁹ This grant has also been referred to as the Defense Infrastructure Grant program.

A better determinate of what reflects the highest priority needs of Florida's installations may be the projects requested pursuant to the Military Base Protection Grant for this current year. Each base was allowed to apply for their top three priorities. However, many installations only applied for their first or first and second priority because of the limited funding available. There were 32 applications received for a total requested amount of \$12,630,608. Applications for the previous year requested three times that amount.

Office of Military Affairs

Florida's bases and associated defense industries generate an annual \$44 billion dollar contribution to the state's economy. In turn, the state has allocated resources to help ensure that this investment remains sound and continues to grow.

In 1998 the Florida Defense Alliance (FDA) was created within Enterprise Florida Inc. This action was in response to Florida bases being closed during previous BRAC rounds. The statutory charge to the FDA was "...to ensure that Florida, its resident military bases and missions, and its military host communities are in competitive positions as the United States continues its defense realignment and downsizing."¹⁰ The FDA also serves as an overall advisory body for Enterprise Florida on defense related matters. Enterprise Florida does provide staffing for the FDA effort without, however, any additional direct funding for this activity.

The FDA is comprised primarily of community representatives from each Florida county which hosts a military installation or is dealing with a base reuse program. Representatives from statewide businesses and defense related organizations are also included. State and federal legislators are involved as are representatives of Florida state agencies. Thirty-one military leaders from various bases and commands act as liaisons to the FDA. In pursuing its mission, the FDA concentrates on activities to reduce the exposure of military bases to organizational threats, such as BRAC, and supports local efforts to address quality of life issues for Florida's service members.

Since March of 2003, the Governor has employed a defense coordinator within OTTED. This is the first full time state employee dedicated to working solely on military issues, aside from members of the Florida National Guard. However, the defense coordinator is not a statutorily created position or office with correspondingly identified duties. Nor is there direct funding in support of the position.

Although other military issues are handled, the position primarily provides staffing to the Governor's BRAC Advisory Council. As such, the defense coordinator serves the dual role of Executive Director to the Advisory Council. Additional program and policy support is provided by the Enterprise Florida/FDA staff.

The military's contribution to the state's economy is surpassed by only two other industries. The first being tourism with an estimated economic impact of close to \$51 billion. The second being the agricultural industry with an estimated economic impact of approximately \$50 billion. Both of these industries have a supporting state infrastructure that far exceeds the state's current infrastructure for its military effort.

¹⁰ S. 288.980(1)(b), F.S.

The Florida Commission on Tourism was provided spending authority this fiscal year for over \$18 million. The Department of Agriculture and Consumer Services was authorized 3,784 positions with an accompanying appropriations of over \$312 million. The Citrus Commission will spend another \$73 million in support of that industry and with the help of 120 employees. However, this is not a critical observation of these industries or expenditures. Enterprise Florida Inc., with a budget of slightly over \$10 million, does provide economic development assistance to the business community of which the defense industry is certainly a part, and does provide some support for the FDA effort. The significance of these figures, however, is in the relative difference of direct support provided to the three top industries of the state.

III. Effect of Proposed Changes:

Section 1 creates s. 14.2018, F.S., which establishes the Office of Military and State Relations within the Executive Office of the Governor. The director of this office will be appointed by and serve at the pleasure of the Governor. The responsibilities of this office include working with the state's military installations, unified commands, military communities, state agencies, and economic development professionals to develop strategies that protect Florida's bases from closure, bolster the state's economic well being, and the maintaining of Florida's military-friendly climate. To accomplish these goals, the office shall:

- Advise and assist the Governor on issues relating to BRAC and other realignment efforts;
- Assist Enterprise Florida, Inc., with the expansion of Florida's military and associated defense industries;
- Assist the Florida Defense Alliance in keeping Florida competitive with other states that have significant military populations;
- Work with state agencies to better serve host military communities and Florida's military families;
- Assist with volunteer efforts that address quality-of-life issues for military families; and
- Perform other activities as directed by the Governor.

Section 2 creates s. 163.3175, F.S., to provide legislative findings on the compatibility of land development with military installations and the necessity for an exchange of information between local governments and military installations. The CS requires each county that contains a military installation and other affected local governments to transmit certain information regarding proposed changes to its comprehensive plan or land development regulations which, if approved, could affect the intensity, density, or use of land adjacent to or in close proximity to a military installation. (Note: The CS does not include a definition of the term "close proximity.")

In response, the CS allows a commanding officer or his or her designee to comment on the effect that the proposed changes would have on the mission of the military installation. However, the commanding officer's comments are limited to:

- Whether the proposed change is incompatible with the safety and noise standards in an Air Installation Compatible Use Zone (AICUZ) if the military installation has an airfield;
 - Whether the proposed change is incompatible with the Installation Environmental Noise Management Program (IENMP) of the U.S. Army;
 - Whether the proposed changes are incompatible with a Joint Land Use Study (JLUS);
- and

- Whether the military installations mission will be negatively affected by the proposed change.

The local government must consider the comments of the commanding officer and transmit those comments to DCA and the Office of Military and State Relations. A representative of the military installation shall serve as an ex officio, nonvoting member of the county's or affected local government's land planning or zoning board. The commanding officer is encouraged to provide information regarding any community planning assistance grants that may be available through the federal Office of Economic Adjustment.

The CS also provides definitions for the terms "affected local government" and "military installation."

Section 3 amends ss. 163.3177(6)(a) and 163.31779(10)(l), F.S., to require a local government include the compatibility of uses on lands adjacent to or closely proximate to military installations in the future land use plan element of its comprehensive plan. (Note: The term "closely proximate" is not defined.) In addition, this element must contain criteria to be used in achieving the compatibility of adjacent or closely proximate lands with military installations. Under this CS, local governments must update or amend their comprehensive plans to include criteria and address the compatibility of adjacent or closely proximate lands with existing military installations in their future land use plan element. Such update or amendment must be transmitted to DCA by June 30, 2006. The DCA must consider land use compatibility issues for airports adjacent to or in close proximity to all military installations in coordination with the Department of Defense.

Section 4 creates s. 163.3187(1)(m), F.S., to provide that an amendment to a comprehensive plan addressing criteria and the compatibility of land uses adjacent to or in close proximity to a military installation does not count towards the twice-per-year plan amendment limitation.

Section 5 creates s. 163.3191(2)(n), F.S., to require a local government's evaluation and appraisal report to include an assessment of whether the criteria in the future land use plan element were successful in resolving issues for military installations.

Section 6 amends s. 288.980, F.S., to create the Military Base Protection Grant Program that will be coordinated and implemented by the Office of Tourism, Trade, and Economic Development (OTTED). The CS appropriates \$12 million from the general revenue fund for this program in fiscal year 2004-2005. The purpose of the program is to support local infrastructure projects that would have a positive impact on military installations within the state. Specifically, infrastructure projects to be funded by this program include, but are not limited to, those projects related to: encroachment, transportation and access, utilities, communications, housing, environment, and security. It specifies that a grant request must come from an economic development applicant serving in an official capacity with authority to maintain the project after completion and must represent a community or county in which a military installation is located. There is no limitation on the amount of any grant, but the county or local community may be required to match the amount. OTTED is authorized to establish guidelines for the program.

Section 7 provides the act shall take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The provisions of this CS are part of a larger effort to protect Florida's military installations from closure. In general, military installations have a significant positive economic impact for the communities in which they are located.

C. Government Sector Impact:

This CS will have a nominal fiscal impact on both the military installations and local governments that would be required to exchange information on proposed land use changes and provide comments pursuant to this legislation.

Local governmental units that would be required to update or amend their comprehensive plan to include compatibility with military installations and related criteria would experience the cost associated with making those changes. There are 22 military installations and three unified commands situated in 13 Florida counties. The cost for a local government to amend or update its comprehensive plan would differ with the particulars of each location.

The CS also appropriates \$12 million dollars from general revenue to the Office of Tourism, Trade, and Economic Development to fund the statutorily created Military Base Protection Grant Program for FY 2004-2005.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
